

MINUTES

REGULAR MEETING of the Board of Directors of the
Clean Power Alliance of Southern California
Thursday, September 2, 2021, 2:00 p.m.

*The Board of Directors conducted this meeting in accordance with California Governor
Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.*

CALL TO ORDER & ROLL CALL

Chair Diana Mahmud called the meeting to order at 2:00 p.m. and Gabriela Monzon, Clerk of the Board, conducted roll call.

Roll Call				
1	Agoura Hills	Deborah Klein Lopez	Director	Remote
2	Alhambra	Jeff Maloney	Director	Remote
3	Arcadia	Sho Tay	Director	Remote
4	Beverly Hills	Julian Gold	Director	Remote
5	Calabasas	Mary Sue Maurer	Director	Remote
6	Camarillo	Susan Santangelo	Director	Remote
7	Carson	Cedric L. Hicks	Alternate	Remote
8	Claremont	Corey Calaycay	Director	Remote
9	Culver City	Daniel Lee	Director	Remote
10	Downey	Sean Ashton	Director	Remote
11	Hawaiian Gardens	Ramie L. Torres	Alternate	Remote
12	Hawthorne	Alex Monteiro	Director	Remote
13	Los Angeles County	Holly J. Mitchell Gary Gero	Alternate Alternate	Remote
14	Malibu	Steve Uhring	Alternate	Remote
15	Manhattan Beach	Hildy Stern	Director	Remote
16	Moorpark	Janice Parvin	Director	Remote
17	Ojai			Absent
18	Oxnard			Absent
19	Paramount	Vilma Cuellar Stallings	Director	Remote
20	Redondo Beach	Christian Horvath	Director	Remote

21	Rolling Hills Estates	Steve Zuckerman	Director	Remote
22	Santa Monica	Gleam Davis	Director	Remote
23	Sierra Madre	Robert Parkhurst	Director	Remote
24	Simi Valley	Ruth Luevanos	Director	Remote
25	South Pasadena	Diana Mahmud	Chair	Remote
26	Temple City	Fernando Vizcarra	Director	Remote
27	Thousand Oaks			Absent
28	City of Ventura	Joe Yahner	Alternate	Remote
29	Ventura County	Linda Parks	Vice Chair	Remote
30	West Hollywood	Lindsey Horvath	Director	Remote
31	Westlake Village	Kelly Honig	Director	Remote
32	Whittier	Vicki Smith	Alternate	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

Jerilyn Lopez Mendoza provided public comment.

CONSENT AGENDA

1. Approve Minutes from August 5, 2021 Special Board of Directors Meeting
2. Approve Printing and Mailing Services Contract with Mellady Direct Marketing for a Not-to-Exceed Amount of \$1,000,000 (Revised)
3. Authorize the Executive Director to Execute Task Order No. 2 with Ascend Analytics for Mid-Term Reliability RFO Support Services
4. Receive and File Annual Electricity Usage by Jurisdiction
5. Receive and File Q2 Risk Management Team Report
6. Receive and File Q2 Communications Report

Motion: Director Horvath, Redondo Beach

Second: Director Gold, Beverly Hills

Vote: The consent agenda was approved by a roll call vote.

REGULAR AGENDA

7. Approve Power Purchase Agreement(s) and Authorize the Executive Director to Execute a 15-Year Renewable Power Purchase Agreement with Desert Quartzite, LLC and a 15-Year Renewable Power Purchase Agreement (PPA) with Radiant BMT, LLC

Natasha Keefer, Vice President, Power Supply, and Erik Nielsen, Sr. Manager, Structured Contracts, provided a presentation of the item. Staff discussed the status of RFOs underway, noting that CPA is seeking approval for two long-term renewable energy contracts, one from the 2020 Clean Energy RFO and one from

the 2020 DAC RFO. The 2020 Clean Energy RFO aims to secure 1.5-2 million of MWh of annual renewable energy which helps CPA meet its customer demand and its regulatory obligations. Staff reviewed CPA's renewable energy position, Desert Quartzite's valuation results, project rational, and evaluation summary, noting that the project scored high in the evaluation criteria and provided an early online date to meet SB 350 compliance. Additionally, staff described the DAC RFO, which would secure supply from small and mid-size local/regional projects. The Radiant Solar project is a 3 MW generating facility with reasonable evaluation criteria scores and makes progress towards filling CPA's DAC-GT program allocation.

CPA will soon launch three additional RFOs to: replace capacity from the retiring Diablo Canyon Power Plant; secure supply for the remaining program allocation for the Power Share program; and to move forward the Power Ready program.

Director Parkhurst, Chair of the Energy Committee, commended staff, noting that by the end of 2023, 55% of CPA's load will be served by Board-approved contracts. In response to questions about the impact of Diablo Canyon's retirement to CPA, staff noted that the final accounting methodology is pending at the CPUC to determine load serving entities' (LSEs) specific compliance requirements, however, CPA's solar + storage contracts place CPA close to meeting the full compliance mandate. Additionally, staff explained that the DAC-GT RFO fills program allocation from a CPUC-directed program for which CPA has a 12.19 MW allocation. In response to Director Mitchell's question, staff explained that the low number of local projects located in member counties is due to the land and development costs associated with development in our area, limited space in many communities, and some local ordinances making it challenging to develop such projects in areas where there is available land. For the Power Share program, CPA received three proposals, two of which are located in Los Angeles County. Responding to Chair Mahmud's question regarding the process for member agencies to participate in the Power Share Program, staff explained that member agencies can be both community sponsors and site hosts, giving them the opportunity to educate customers and host solar projects on agency facilities.

Motion: Director Parkhurst, Sierra Madre
Second: Director Horvath, West Hollywood
Vote: Item 7 was approved by a roll call vote.

8. Approve Agreement with AutoGrid Inc., for Demand Response (DR) Implementation Services

Jack Clark, Director of Customer Programs, provided a brief history of the item, program pillars, current state of the program, scalability plans, lessons learned and reviewed the solicitation and selection process. The pilot program launched in February 2020 for customer enrollment and staff has completed negotiations to bring a new contractor to implement the demand response (DR) program. There has been steady enrollment growth and CPA made a successful CAISO market bid of aggregated program load reduction that continues to bring in revenues from the five monthly DR "events."

CPA received five proposals in response to the Request for Proposals (RFP) for a DR implementer to scale the program. Based on staff's evaluation, including

interviews, cost, and quality of the proposals, staff selected AutoGrid, which has a powerful suite of proprietary distributed energy resources (DER) management software and has built technology partnerships with trade allies that can drive customer acquisition in CPA territory. AutoGrid will work to enroll 10,025 residential, commercial, industrial, and behavioral DR customers. Upon approval and execution of the contract, pre-launch activities will begin, including transitioning of existing pilot participants and program implementation planning.

In response to questions by Director Mitchell, Mr. Clark responded that there has been good participation and responsiveness from disadvantaged communities in the pilot and that there is more research being conducted by staff to encourage further participation from disadvantaged communities. The program is trying to create a structure that allows for more trade allies that meet standards on both technologies and business practices. Trade allies will help to scale out the program significantly through their strong customer acquisition processes. With regard to outreach to commercial customers, CPA aims to leverage its trade allies to do outreach, with hopes of reaching customers prior to installation of smart thermostat technologies, so customers can factor in the demand response component in their value proposition. Mr. Clark also noted that the military will be included in the outreach strategy, as suggested by Director Gold. Director Mitchell noted that there is a focus throughout LA County to reach out to those hard-to-reach communities.

Motion: Director Gold, Beverly Hills
Second: Director Horvath, Redondo Beach
Vote: Item 8 was approved by a roll call vote.

Chair Mahmud directed staff to reach out to SoCal Gas regarding their offering of free Honeywell smart thermostats and installations and explore Honeywell's participation in the Power Response DR program.

9. Adopt Resolution No. 21-09-018 Authorizing and Approving Entry into A Credit Agreement and Specified Related Agreements ("Agreements") with JPMorgan Chase Bank, and Delegating Authority to CPA Authorized Representatives to Execute and Deliver the Agreements

David McNeil, Chief Financial Officer, provided a review of the item, noting that following discussions with the Finance Committee, staff explored obtaining a larger credit facility to support an investment grade credit rating and provide additional liquidity. The proposed agreements with JP Morgan Chase Bank (JPM) would provide CPA with an \$80 million credit facility, support working capital needs, and increase liquidity. Proceeds from the loan can provide cash collateral to secure CPA's obligation under PPAs' or repay existing debt, with some limitations. Mr. McNeil explained that staff recommends the proposed agreements as the \$43 million increase in the size of the credit facility will add 21 days to the days-cash-on-hand ration as described in CPA's reserve policy; JPM has an investment grade rating; and will improve perception of CPA's financial strength, thereby lowering energy costs. The total estimated annual cost of the proposed agreements is \$390,000, and a one-time fee for legal services of \$37,500.

Director Lee commented on JPM's reputation as a large lender to the fossil fuel industry and asked what other options were explored for lenders. Mr. McNeil noted that CPA would consider banking relationships that share common goals with CPA

but that currently there are only three active lenders to CCAs and that JPM at this time provides the best value for CPA. Director Gold added that the lender, JPM, has a good reputation as it relates to credit agencies and launches CPA into the next level of operations with support from the Finance Committee. Vice Chair Parks expressed support for the new agreement as it is in keeping with CPA's demonstrated commitment to financial stability and fiscal conservatism. Director Parkhurst echoed support for the item and suggested that staff communicate to JPM the concerns raised with regard to their lending to the fossil fuel industry. Director Lindsey Horvath agreed with providing feedback to JPM and noted that the City of West Hollywood had gone through a process of looking at value-aligned banking relationships and that options were limited once a certain size was reached. Chair Mahmud requested that the motion to approve the credit agreement be accompanied by direction to staff to make JPM aware of concerns expressed by some Board members.

Motion: Director Calaycay, Claremont
Second: Director Gold, Beverly Hills
Vote: Item 9 was approved by a roll call vote, with an abstention from Director Luevanos, Simi Valley, related to JPM's reputation as a lender to fossil fuel industries.

MANAGEMENT REPORT

Mr. Bardacke reported that the State's utility bill forgiveness program is making progress towards implementation and therefore, staff found it prudent to delay implementation discussions of the recently approved collections policy. Customers in arrears after the State disburses utility bill assistance later this year will likely be automatically placed on a two-year payment plan.

Mr. Bardacke also highlighted the rebrand that CPA is going through, beginning with a website makeover, led by the External Affairs team; the successful launch of Ventura County's electric vehicle charging station infrastructure rebate program; and discussed staffing updates.

COMMITTEE CHAIR UPDATES

Director Parkhurst, Energy Committee Chair, stated that the Committee will work with staff in the upcoming release of RFOs and recognized the procurement staff for their work.

Director Horvath, Legislative & Regulatory Committee Chair, stated that September 3rd would be the last day to amend bills, and therefore, the committee is continuing its work in ensuring that the final state budget includes prioritization of clean energy issues that CPA cares about.

BOARD MEMBER COMMENTS

Directors Lopez and Maurer thanked staff, particularly Sherita Coffelt, Sr. Director of External Affairs, for her and staff's participation in City Council meetings and marketing materials to inform the community on the transition to 100% Green default rate.

REPORT FROM THE CHAIR

Chair Mahmud expressed well wishes for the departing Board Clerk, Gabriela Monzon.

ADJOURN

Chair Mahmud adjourned the meeting at 4:01 p.m.